

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CHEMSYNTH LABORATORIES PRIVATE LIMITED**

**1. Report on the Financial Statements**

We have audited the attached financial statements of **M/s. Chemsynth Laboratories Private Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the then year ended, and a summary of the significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;  
and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect of the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :
- i. The Company has no pending litigations affecting its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by the Companies (Auditor's Report) Order 2016 ('the order'), issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Chennai

Date : May 10, 2017

For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(Registration No : 004219S)



A handwritten signature in blue ink, appearing to read 'Sriram'.

S. SRIRAM  
Partner  
Membership No : 202813

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in Paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **CHEMSYNTH LABORATORIES PRIVATE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai

Date : May 10, 2017

For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(Firm Registration No : 004219S)



A handwritten signature in blue ink, appearing to read "Sriram".

S. SRIRAM  
Partner  
M. No : 202813

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our report of even date)**

- 1) In respect of fixed assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management during the year in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the Company.
- 2) In our opinion and according to the information and explanations given to us, the Company does not hold any stock of inventory and therefore the provisions of clause ii of the Companies (Auditors Report) Order 2016 is not applicable.
- 3) The Company has not granted loans, both secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- 4) The Company has not granted loans, made investments, provided guarantees and security and therefore the provisions of clause iv of Companies (Auditor's Report) Order 2016 are not applicable.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- 6) We were informed that the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the Company.



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- 7) In respect of statutory dues.
- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess, service tax and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, custom duty, excise duty, service tax and cess were in arrears, as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no amounts payable in respect of income tax, sales tax, custom duty, excise duty, service tax and cess, which have not been deposited on account of any dispute.
- 8) According to the information and explanations given and the records examined by us, the Company does not have any borrowings from financial institutions, banks, Government or debenture holders.
- 9) As per the records of the Company and information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The Company has also not taken any term loans.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.
- 11) No managerial remuneration has been paid or provided by the Company during the year.
- 12) The Company is not a Nidhi Company and therefore the provisions of clause xii of Companies (Auditor's Report) Order 2016 are not applicable.
- 13) The transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) The Company has not entered in to any non cash transactions with directors or persons connected with him and therefore the provisions of clause xv of Companies (Auditor's Report) Order 2016 are not applicable.





16) The Company is not required to be registered under Section 45-IA if the Reserve Bank of India Act, 1934 and therefore the provisions of clause xvi of Companies (Auditors Report) Order 2016 are not applicable.

Place : Chennai

Date : May 10, 2017

**For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(Firm Registration No : 004219S)**



**S. SRIRAM  
Partner  
M. No : 202813**



**M/s. CHEMSYNTH LABORATORIES PRIVATE LIMITED.,**

**Balance sheet as at 31st March, 2017**

*(In Rs.)*

PARTICULARS	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	2	68,627,450	68,627,450
Reserves and surplus	3	(13,346,618)	(10,934,198)
		55,280,832	57,693,252
<b>Non-Current Liabilities</b>			
Other non-current liabilities	4	23,193,059	23,039,051
<b>Current Liabilities</b>			
Trade payables	5	105,458	48,476
		105,458	48,476
<b>TOTAL</b>		<b>78,579,349</b>	<b>80,780,778</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	6	65,982,084	65,982,084
Capital Work in Progress		11,760,083	11,760,083
Deferred tax asset (net)		649,138	649,138
Long-term loans and advances	7	-	-
Other non-current assets	8	-	1,064,884
		78,391,305	79,456,189
<b>Current assets</b>			
Trade receivables	9	-	665,581
Cash and bank balances	10	12,963	27,054
Short-term loans and advances	11	175,081	631,954
		188,044	1,324,589
<b>TOTAL</b>		<b>78,579,349</b>	<b>80,780,778</b>
Significant Accounting policies	1		

As per our Report of even date attached

For and on behalf of the Board

For **R. SUNDARARAMAN & CO**

Chartered Accountants

Firm Regn. Number : 0042195



**S. SRIRAM**  
Partner  
M. No. 202813




**(Anil Kumar)**  
Director



**(Sunil Kumar)**  
Director

Place: Chennai  
Date: 10-May-2017

**M/s. CHEMSYNTH LABORATORIES PRIVATE LIMITED.,**  
**Statement of profit and loss for the year ended 31st March, 2017**

*(In Rs.)*

Particulars	Note No.	Year ended 31st March 2017	Year ended 31st March 2016
<b>REVENUE</b>			
Other income	12	-	-
<b>Total Revenue</b>		-	-
<b>EXPENSES</b>			
Employee Benefits expenses	13	-	90,000
Other expenses	14	2,412,420	8,087,241
<b>Total Expenses</b>		2,412,420	8,177,241
Profit/(loss) before tax		(2,412,420)	(8,177,241)
<b>Tax expense</b>			
Current tax		-	-
Deferred tax liability / (asset)		-	(87,501)
<b>Total tax expenses</b>		-	(87,501)
Profit/(Loss) for the year		(2,412,420)	(8,089,740)
Earnings per equity share - Basic (Rs.)		(0.35)	(1.18)
Earnings per equity share - Diluted (Rs.)		(0.35)	(1.18)
Weighted average number of equity shares		6,862,745	6,862,745
<b>Significant Accounting policies</b>	1		

As per our Report of even date attached

**For R. SUNDARARAMAN & CO**

**Chartered Accountants**

**Firm Regn.Number : 0042195**

  
**S. SRIRAM**

**Partner**

**M. No. 202813**



**Place: Chennai**

**Date: 10-May-2017**

For and on behalf of the Board



(Anil Kumar)  
 Director



(Sunil Kumar)  
 Director

**M/s. CHEMSYNTH LABORATORIES PRIVATE LIMITED**  
**Cash flow statement**

Particulars		For the year ended 31-03-2017	For the year ended 31-03-2016
<b>Cash flow from operating activities</b>			
Profit before taxation		(2,412,423)	(8,177,241)
<i>Adjustments for:</i>			
Finance costs		-	-
Interest income		-	-
<b>Operating profit before working capital changes</b>		<b>(2,412,423)</b>	<b>(8,177,241)</b>
<i>Adjustments for:</i>			
(Increase) / decrease in trade receivables			
(Increase) / decrease in loans and advances		2,187,338	8,031,060
Increase / (decrease) in trade payables, other liabilities and provisions		210,991	24,864
<b>Net cash flow from operating activities</b>		<b>(14,094)</b>	<b>(121,317)</b>
Direct Taxes paid and others		-	-
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>(14,094)</b>	<b>(121,317)</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets and changes in capital work-in-progress		-	-
Interest income received		-	-
<b>Net cash used in investing activities</b>	<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>			
Availment and repayment of borrowings			
Interest and finance charges		-	-
<b>Net cash from financing activities</b>	<b>(C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(14,094)</b>	<b>(121,317)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		27,054	148,371
<b>Cash and cash equivalents at the end of the year</b>		<b>12,960</b>	<b>27,054</b>

As per our Report of even date attached

For and on behalf of the Board

For R. SUNDARARAMAN & CO

Chartered Accountants

Firm Regn. Number : 004219S

  
S. SRIRAM

Partner

M. No. 202813





(Anil Kumar)  
Director



(Sunil Kumar)  
Director

Place: Chennai

Date: 10-May-2017

(in rupees)

Note No.	Particulars	As at 31st March, 2017	As at 31st March,2016
2	<b>SHARE CAPITAL :</b>		
	<b>Authorised :</b> 70,00,000 Equity shares of Rs. 10/- each	70,000,000	70,000,000
	<b>Issued :</b> 68,62,745 Equity shares of Rs. 10/- each	68,627,450	68,627,450
	<b>Subscribed and paid up :</b> 68,62,745 Equity shares of Rs. 10/- each	68,627,450	68,627,450
	<b>Total</b>	<b>68,627,450</b>	<b>68,627,450</b>

Reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at		As at 31st March 2016	
	Number	Value	Number	Value
Shares outstanding at the beginning of the year	6,862,745	68,627,450	6,862,745	68,627,450
Shares outstanding at the end of the year	<b>6,862,745</b>	<b>68,627,450</b>	<b>6,862,745</b>	<b>68,627,450</b>

The details of shareholders holding more than 5% equity shares in the Company

Name of the equity shareholder	As at 31st March, 2017		As at 31st March 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Mr. Mohan Reddy Enaganuri	966,250	14.08%	966,250	14.08%
Mr. Vijender Medamoni	1,567,500	22.84%	1,567,500	22.84%
Mr. Pullinti Giridhara Gopal	966,250	14.08%	966,250	14.08%
Strides Shasun Limited	3,362,745	49.00%	3,362,745	49.00%
Total	<b>6,862,745</b>	<b>100.00%</b>	<b>6,862,745</b>	<b>100.00%</b>

Note No.	Particulars	As at 31st March, 2017	As at 31 <sup>st</sup> March,2016
3	<b>RESERVES AND SURPLUS :</b>		
	<b>Balance in Statement of Profit &amp; Loss :</b>		
	Balance as per last financial statements	(10,934,198)	(2,844,459)
	Add : Profit/(loss) as per Statement of Profit and loss	(2,412,420)	(8,089,740)
		<b>(13,346,618)</b>	<b>(10,934,198)</b>



**M/s. CHEMSYNTH LABORATORIES PRIVATE LIMITED.,**  
**Notes to Financial Statements for the year ended 31-Mar-2017**

*(in rupees)*

Note No.	Particulars	As at 31st March, 2017	As at 31 <sup>st</sup> March, 2016
4	<b>OTHER NON-CURRENT LIABILITIES:</b> Advance from Strides Shasun Limited	23,193,059	23,039,051
		23,193,059	23,039,051
5	<b>TRADE PAYABLES :</b> Dues of enterprises other than Micro and Small enterprises	105,458	48,476
		105,458	48,476



M/s. CHEMSYNTH LABORATORIES PRIVATE LIMITED.,  
Notes to Financial Statements for the year ended 31-Mar-2017

6. FIXED ASSETS:

(in rupees)

Particulars	Rate	Gross Block				Depreciation			Net Block	
		As at 01 Apr 2016	Additions	Disposal	As at 31 Mar 2017	As at 01 Apr 2016	For the year	As at 31 Mar 2017	As at 31 Mar 2017	As at 31 Mar 2016
Tangible assets										
Land & Development	0.00%	65,982,084	-	-	65,982,084	-	-	-	65,982,084	65,982,084
<b>Total</b>		<b>65,982,084</b>	<b>-</b>	<b>-</b>	<b>65,982,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,982,084</b>	<b>65,982,084</b>
Previous year total		62,247,924	3,734,160	-	65,982,084	-	-	-	65,982,084	62,247,924



**M/s. CHEMSYNTH LABORATORIES PRIVATE LIMITED.,**  
**Notes to Financial Statements for the year ended 31-Mar-2017**

(in rupees)

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
7	<b>LONG-TERM LOANS AND ADVANCES :</b>		
	Capital Advance	7,361,626	7,361,626
	Less: Provision for doubtful advances	(7,361,626)	(7,361,626)
		-	-
8	<b>OTHER NON-CURRENT ASSETS :</b>		
	Miscellaneous Expenses not written off	-	1,064,884
		-	1,064,884
9	<b>TRADE RECEIVABLES :</b>		
	<i>(Unsecured, considered good)</i>		
	Outstanding for a period exceeding six months form the date they became due for payment	-	-
	Others		
	<i>(Unsecured, considered doubtful)</i>		
	date they became due for payment	665,581	665,581
	Others	-	-
	Less: Provision for doubtful debts	(665,581)	
		-	665,581
10	<b>CASH AND BANK BALANCES :</b>		
	<b>Cash and cash equivalents :</b>		
	Cash on hand	-	3,733
	Balances with banks :		
	In current accounts	12,960	23,321
		12,960	27,054
11	<b>SHORT-TERM LOANS AND ADVANCES :</b>		
	<i>(Unsecured, considered good)</i>		
	Loans and advances	-	431,873
	Rent deposit	-	25,000
	Advance Tax / TDS	149,998	149,998
	MAT Credit entitlement	25,083	25,083
	<i>(Unsecured, considered doubtful)</i>		
	Loans and advances	66,701	-
	Less: Provision for doubtful advances	(66,701)	-
		175,081	631,954





**M/s. CHEMSYNTH LABORATORIES PRIVATE LIMITED.,**  
**Notes to Financial Statements for the year ended 31-Mar-2017**

(in Rupees)

<b>Note No.</b>	<b>Particulars</b>	<b>Year ended 31st March 2017</b>	<b>Year ended 31st March, 2016</b>
12	<b>OTHER INCOME</b>		
	Interest income	-	-
	Consultancy service Income	-	-
	Unclaimed Liabilities written back	-	-
		-	-
13	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries, wages and other allowances	-	90,000
	Directors Remuneration	-	-
		-	90,000
14	<b>OTHER EXPENSES</b>		
	Travelling expenses	70,844	54,248
	Telephone expenses	3,604	-
	Office expenses	-	50,407
	Auditors remuneration	40,250	39,836
	Bank charges	533	-
	Professional fees	425,120	-
	Rates, Fees and Taxes	-	33,400
	Rent	25,000	-
	Filing Fees	-	15,283
	Provision for doubtful advances	732,282	7,361,626
	Miscellaneous expenses	24,903	-
	Donation	25,000	-
	Pre-operative Expenses written off	1,064,884	532,441
		2,412,420	8,087,241



**M/s. Chemsynth Laboratories Private Limited**  
**Notes to Financial Statements for the year ended 31.03.2017**

**1. Significant accounting policies:**

**a. Method of Accounting:**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (“the 2013, Act”) / Companies Act, 1956 (“the 1956, Act”), as applicable.

The company generally follows mercantile system of accounting and recognizes significant of income and expenditure on accrual basis.

**b. Use of Accounting Estimates:**

The preparation of the financial statements in conformity with generally accepted accounting principles requires the company to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the period of account. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**c. Fixed Assets:**

Fixed assets are stated at cost, less accumulated depreciation and amortization. Direct costs inclusive of inward freight, duties and taxes and incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalized until fixed assets are ready for use.

**d. Revenue recognition:**

Revenue from sale of goods is recognised when significant risks and rewards in respects of ownership of products are transferred to customers. Revenue is recognized on dispatch of products to the customers from factory premises or go downs. Revenue from sales is treated exclusive of returns and trade discounts.

**e. Research and development:**

Research and development costs are charged as an expense in the year in which they are incurred.

**f. Employee benefits:**

Defined Contribution Plan:

The number of employees employed by the company is less than statutory minimum; the company has not contributed any amounts towards provident fund.

Defined Benefit Plan:

No Gratuity was provided as none of the employees are eligible for gratuity as on the date of Balance sheet.



Other benefits:

Other long term benefits are recognized on actual payment.

**g. Taxes on Income:**

Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.

**h. Miscellaneous Expenditure:**

Miscellaneous expenditure comprising pre-operative expenses are fully written-off during the current period.

**For R. SUNDARARAMAN & Co.**

  
S. SRIRAM  
PARTNER  
M. No : 202813

S.SRIRAM  
Partner  
M.No: 202813



Place : Chennai  
Date : 10-05-2017



(Anil Kumar)  
Director



(Sunil Kumar)  
Director